

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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**COMMISSIONERS**

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GARY PIERCE, Chairman  
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PAUL NEWMAN  
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IN THE MATTER OF ARIZONA PUBLIC  
SERVICE COMPANY'S REQUEST FOR  
AUTHORIZATION TO APPLY THE CREDIT  
CUSTOMERS BALANCE IN ITS NET GAINS  
ON UTILITY PROPERTY ACCOUNT TO ITS  
DEMAND-SIDE MANAGEMENT ADJUSTOR  
CHARGE ACCOUNT

DOCKET NO. E-01345A-12-0137

**APPLICATION**

Arizona Public Service Company ("APS" or "Company") hereby requests that the Arizona Corporation Commission ("Commission") authorize the Company to apply the Net Gains on Utility Property account balance as of December 31, 2011 as a credit to the Demand Side Management ("DSM") Adjustor balance. This credit will reduce the amount of current DSM costs that would need to be recovered from APS customers beginning March 1, 2013.

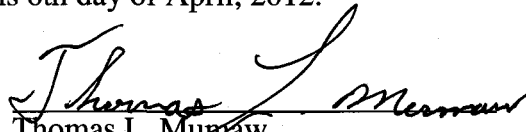
**BACKGROUND**

Decision No. 69670 (June 28, 2007) approved APS's sale or lease of small amounts of utility property subject to specific conditions and limitations. The Decision required that on April 30 of even numbered years, the entire amount in the account, if \$100,000 or greater, either be refunded to customers or used by APS to fund programs that will directly benefit customers as directed and approved by the Commission. As of December 31, 2011, the balance of Net Gains on Utility Property is \$431,750.

The Company believes that applying the credit to the deferred DSM balance to reduce the impact of the DSM Adjustor Charge in 2013 is reasonable and will directly benefit APS

1 customers. Similar requests have been made by APS in February of 2008 and March of 2010, and  
2 approved by the Commission in Decision Nos. 70295 (April 24, 2008) and 71716 (June 3, 2010),  
3 respectively.

4 RESPECTFULLY SUBMITTED this 6th day of April, 2012.

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6   
7 Thomas L. Mumaw  
8 Attorney for Arizona Public Service Company

9 The original and 13 copies of the foregoing were  
10 filed this 6th day of April 2012 with:

11 Docket Control  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, AZ 85007.

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